(*f*) It should be open to the *kudiyan* to acquire all the rights of a *jenmi* on payment of compensation. The determination of the *jenmi's* rights in this manner should not depend on the consent of the *jenmi*. The rights should be determined and the amount of compensation fixed by a court not inferior in rank to a zilla court, which should on the application of the tenant enquire into the matter and decide the question. The fee for such application should be fixed at Rs. 5.

(*g*) The existing arrears of *michavaram* should be recoverable only by means of civil suits. But the arrears, after the above rules were brought into operation, should be recoverable under the Revenue Recovery Regulation, within three years from the date on which the payments became due. All arrears pending for more than three years should be regarded as barred by limitation.

(*h*) It should not be competent to the *jenmi* to raise the *pattom* from time to time.

DEWAN'S REPLY: Mr. Paramesvaran Valiyathan, the whole of this question, the relations between the *jenmies* and *kudiyans*, will come up for consideration in connection with the conference regarding the Jenmi-Kudiyan Bill. You say you do not understand why a round-table conference is being called. I will explain to you the reasons. There are two conflicting interests, interests of *kudiyans* who imagine that their interests should be considered first and the interests of *jenmies*, who imagine in their turn that their interests should be safeguarded. The object of the conference is to endeavour to get on to common ground, as far as possible eliminating differences and to see to what extent an agreement between the two parties can be obtained so as to ensure the passing of a Bill which will be acceptable to both parties as being perfectly fair. That is the purpose. I think it is a valuable purpose,—and I am hopeful that it will go a great way towards securing the interests of the two parties. I therefore advise you to wait and see what happens after the round-table conference meets.

22. Need for amending the Insolvency Regulation.

MR. RAMASUBBOO CHETTIYAR BHAGAVATHI PERUMAL CHETTIYAR (*Member, Mercantile and Trading Classes, Kottar*) said that before the introduction of the Insolvency Regulation it was rather easy for creditors to collect debts, but not so after the Regulation. The mercantile classes were also considerably hampered in their business by the operation of this Regulation. There was no necessity, however, on these accounts to repeal the regulation *in toto*. But it was the duty of Government to remedy the defects in the Regulation, which the member proposed to treat under two heads: (i) those inherent in the Regulation itself and the rules under it, and (ii) those arising in the application and enforcement of the Regulation and rules by the officers concerned.

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Under the first head he pointed out the following defects and proposed the following remedies :—

(*a*) The present Regulation provided no means for preventing persons defeating their creditors by fraudulent execution of promissory notes and alienations of properties to their relations and others for no real consideration, in anticipation of putting in insolvency petitions. In order to put a stop to this practice, provision should be made in the Regulation requiring petitioners to produce along with petitions schedules of all transactions entered into by them during the three years previous and also the day books, ledgers and other accounts for the period.

(*b*) The account books produced by petitioners were not being properly examined at the present time. Many a fraud thus escaped notice. Provision should be made in future to have account-books examined by qualified auditors, and an enquiry should also be held as to the reasons for the debts and losses alleged to have been incurred or sustained by the petitioners. Every case of wilful fraud discovered as the result of the enquiry should be taken severe notice of, and a provision for that purpose should be made in the Regulation itself.

(*c*) It should be provided that no petitioner who was indebted in a sum of less than Rs. 2,000, or who was unable to pay a dividend of at least annas 8 in the rupee should be eligible to be adjudicated an insolvent.

(*d*) Every person who incurred debts, knowing that he was unable to pay them back, and every person whose indebtedness was the result of extravagant habits should be made ineligible for the protection of the Insolvency Regulation.

(*e*) No person should be allowed to renew an insolvency petition which was rejected once.

(*f*) Insolvency petitions and annulment petitions filed in District Courts should be consolidated into one suit and should be disposed of together.

(*g*) If in the course of an enquiry into an insolvency petition, it was found that the petitioner was guilty of fraud against his creditors, the insolvency court should have jurisdiction to punish him forthwith.

Under the second heading the member made the following suggestions :—

(*a*) All Receivers should be full-time officers. The Civil Justice Committee in British India had made such a recommendation ;

(*b*) Dividends should be declared on the money realised from time to time by the receivers, instead of waiting for the realisation of the whole money. This will prevent the loss of the interest which the creditors will otherwise have to sustain ;

(*c*) No receiver should be allowed to keep any money with him for more than three days ;

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(*d*) The distribution of dividends should be made by courts;

(*e*) Receivers and their subordinates should take only actual expenses as travelling allowance for their journeys;

(*f*) Money realised by a receiver in one suit should not be spent for conducting another suit;

(*g*) Every receiver should submit to the Zilla Court monthly statements of all moneys received by him;

(*h*) The account books kept by receivers should be audited by Government auditors at least once a year;

(*i*) Where a debtor's properties were mortgaged or hypothecated the receiver should bring under the hammer only the equity of redemption and take commission only on the money thus realised;

(*j*) If when a debtor was adjudicated an insolvent, some of his creditors had actually secured decrees against him, the receiver should not take commission on the amounts of those decree debts, as in that case the creditors concerned will have to pay the commission as well as the cost of the suits. In the alternative, costs should be paid to the decree-holder in order to compensate him for the expenses he had incurred in the conduct of the suit.

(*k*) Experienced clerks should be appointed in insolvency courts to examine insolvency petitions and the records relating to them and to submit reports to courts. The frauds or misdeeds of petitioners will thus be easily detected.

(*l*) A time-limit should be fixed within which a person adjudicated an insolvent should be required to apply for a discharge.

(*m*) The Insolvency Regulation should be brought into line with the new British Indian Regulation.

The member prayed in conclusion for the appointment of an officer to be in charge of a department of commerce to be newly formed. A commission should also be appointed, he requested, to enquire into the condition of commerce in the State. The commission might consist of three official and four non-official members.

DEWAN'S REPLY: Mr. Ramasubbu Cheitiyar Bhagavatiperumal Chettiyar, the question of the working of the Insolvency Regulation is at the present moment engaging the attention of the High Court and I shall have to await their recommendations. In these matters we must be largely guided by the High Court.

23. Administration of the Police Department.

MR. S. CHELLAPPAN PILLAI (*Member, Karunagapalli taluk Group I*) said that it was regrettable to note that certain evils had crept into the system of recruitment of the officers and men of the Police Department. To begin with, the Commissioner of Police was often a foreigner and as such one not likely to be conversant with the habits and manners of the people. Whenever Travancoreans were put to act,

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